

BACKGROUND PAPER  
ON  
TESTIMONY OF 1977 SALE OF AWACS TO IRAN

During the hearings on the IRANIAN sale of AWACS, there were several issues that raised concern. These issues are also relevant to the proposed sale of the E-3A to Saudi Arabia. Although there has been four years between the Iranian sale and the now proposed Saudi sale, the issues originally discussed are considered even more important as a result of the subsequent failure of the Phalavi Government in Iran and the loss of major U.S. weapon systems (F-14 fighters and Phoenix missiles as an example). In addition, a similar situation in both sales is the fact that it was/is the first major confrontation of a newly elected President with regard to his arms sales policy with Congress.

Each of the major issues and relationship to the proposed Saudi sale are discussed below:

a. Danger of compromise of sensitive technology

(1) The sharp and repeated political point being made about a Saudi AWACS potentially defecting is simply a replay of the same point used in the 1977 debate. For example, on page 45 of the House ("Committee on International Relations" hearings in 1977) report, "...I can (Mr. Stolarow) only go from what the Director of the Central Intelligence, Admiral Turner, told us in his letter, and that is by placing this aircraft in Iran you present the Soviets with an unprecedented opportunity to encourage an Iranian crew that would defect with the aircraft...." The fall of the Shah gives enhanced political effectiveness to that argument this time; and showing that the Saudi situation is not at all comparable to Iran is a long and involved presentation even though correct overall. The need to establish the stability and reliability of the political situation in Saudi Arabia (as by the CIA's reported new assessment) becomes very important. The argument of the opposition about losing an AWACS requires the stability point to be made strong and early in the logic of the overall presentation. (A useful corollary, of course, is that the Soviet capability to produce its own AWACS is apparently substantially more advanced now than in 1977 and what could be gained by them seems likely to have been already siphoned off by intelligence in Western Europe. This whole subject was gone into repeatedly in the 1977 hearings

(2) Another potential point of attack is the argument used in the GAO report in 1977 that: "There is no way to so sanitize AWACS that the hazard of significant technology Not referred to OSD - On file release instructions apply.

ogy and intelligence loss is eliminated and still enable it to perform the functions for which it is designed." (Page 66 of House Report)

(3) Assurances are being developed to accompany the sale of the E-3A to Saudi which are similar to Iran. These assurances provide for physical security of the aircraft and equipment. In addition, sensitive equipment and capabilities are being deleted from the Saudi aircraft similar to Iran. There is always the risk inherent in providing any U.S. friend or ally a sophisticated system. The importance of Saudi Arabia in meeting US national security interests in the Middle East must be the weighting factor in determining the acceptable risk of the proposed sale. It should be emphasized that no violation or breach of security has been committed by Saudi Arabia in past U.S. efforts.

b. Impact on regional balance:

(1) In the Iranian proposed sale, there were no noticeable exceptions from Israel or Saudi Arabia. The outspoken Israel objection of the Saudi proposed sale is based primarily on the potential of Saudi participating in a coordinating joint Arab offensive strike against Israel and the intelligence gathering role that AWACS could play. It reduces, to some degree, the Israel strength in the overall regional balance.

(2) The testimony of the Administration in 1977 is relevant more as to the political nuances than security substance and would almost certainly be used in hearings for political effect. For example, in 1981 the thrust of the argument is that the AWACS are defensive. But note the opening testimony by Leslie Gelb (now New York Times national security writer), then director of the State Department's Bureau of Political-Military Affairs: "We could have come forward and argued that since it (AWACS) is basically a defensive system, the combat capability, overall, is not affected; but the fact of the matter is, AWACS does increase Iran's combat capability." (Page 7 the House Report) The 1977 testimony is likely to be used to go to the Administration witnesses' credibility this time and to undercut the whole presentation more than just this or that technical point.

(3) Similarly, see House Report page 44: "You can translate it (AWACS) as offensive capability. It first permits command and control capability the E-2C is not designed to have. Therefore, if somebody wanted to use this command and control capability to control aircraft such as are available, that could be done and it could be called an offensive mission."

c. Absorptive capacity:

Contractor support, especially in the maintenance area, was a critical factor in the Iranian sale as well as it is in the proposed Saudi sale. The continued involvement of US personnel to support the system was a major concern. As part of the assurances, a detailed study was to be conducted and provided before any additional requests are made for sophisticated technology to Iran. Future requirements and the need for a study to be conducted for Saudi may have to be considered.

d. Inadequate consideration of alternatives:

The proposed sale to Iran was based on the Shah's request for the AWACS and a MAAG study which addressed only the E-3A and the ground radar system. A DOD study of alternatives conducted as later requested by Congress considered on all ground system, the E-2C HAWKEYE, and the E-3A AWACS. The Saudi sale is based on a study that compared three systems originally, an all ground system, the E-2C HAWKEYE and the E-3A AWACS. Although both the E-2C and E-3A could meet the basic requirements, the Saudis requested the E-3A. There is still criticism that other alternatives were not investigated (i.e., balloon borne radars). The balloon borne radar was not considered a substitute for the E-2C or E-3A because it did not have the flexibility or command and control capabilities inherent in both systems.

e. Arms transfer policy:

(1) It was argued that the sale to Iran was contrary to the Presidential policy and that the US would not be the first supplier to introduce to a region newly developed, advanced weapons systems which could create a new or significantly higher combat capability. The sale to Iran was treated as an exception to this policy. The exception was based on the desire for restraint against an ever increasing arms sales versus a need to use arms transfers to bolster our own security and the security interests of our friends and allies. It should be emphasized that at the time of the proposed Iranian sale there was extreme concern in Congress about the proliferation of arms sales and the need for restraint. It was during this time period, ceilings were established in an attempt to limit arms sales. The current arms transfer policy eliminates these ceilings and establishes the consideration of arms sales on a case-by-case basis.

(2) The 1977 hearings show that the same opposition then is active now --- for example, Rosenthal, Solarz, Studs, etc. With Rosenthal and Solarz in particular being strong advocates of Israel and the Iranian-Israeli ties being so

strong then, 1977 opposition seems to come out of arguments concerning the technology, arms sales and other sources as well as the Israeli position. That is important in taking into account their motives.

(3) In 1977, the letter from the CIA Director and the letter from the Arms Control Agency loomed particularly large in the efforts of the opposition to the AWACS proposal. Discussion of those letters occurs at many points in the testimony, including those already cited. On the Arms Control letter, see, for example, page 78 of the House Report. The full letter is set forth in the Appendix and would seem likely to be a potentially important point in the process this year. With Eugene Rostow a key figure in the making of Israeli policy in the 1960's, it would seem important to know what the Arms Control Agency letter is going to be doing.